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The Leadership Challenge: ‘Managing the Unexpected’

In 2012 a warning: “[Events] in the global economy have proved that many of our leaders are ill-equipped to deal with and manage crises” .

This warning was issued in the *Financial Times* by Professor David DeCremer of Cambridge University(De Cremer, 2012) referring to the business community’s poor reactions to the varied crises of the previous 5 years.

We know that unexpected situations arise that can threaten the continuity of an organization; whether the situation is caused by a natural disaster, economic competition or human error and these conditions have the potential to destroy a business. For example, Kodak didn’t realize the power of digital media; Toyota is now paying for the dangerous car airbags; Amazon has disrupted the book, food and other businesses; recent Hurricanes in Florida, Texas and Puerto Rico have destroyed communities and businesses.

Given the reality of today’s business environment --that unexpected situations arise which can threaten the continuity of the organization—what are the critical business continuity and resilience issues that must be integral to the thinking of leaders?

Moreover, to what extent are new leaders being educated in business schools to recognize the importance of ‘managing the unexpected’? (Weick & Sutcliffe, 2007). While courses/ programs in leadership are likely to include change, decision-making , will these also include leading in an uncertain environment? The education problem is further compounded by the increasing number of students in the USA who are working adults, and may have (or will) experienced managing in uncertainty, yet have no formal understanding of how to help their staff manage in such situations or what to do .

Business continuity (or, continuity of operations-coop) has been defined as “an institution’s ability to maintain or restore its business…when some circumstance threatens or disrupts normal operations” (Pirani and Yanofsky, p 2).

So, how are we doing? Is DeCremer’s warning being heeded?

The focus of this research is twofold:1) to identify the critical resilience and continuity areas that must be an integral and dominant part of a business culture and operations; 2) to examine whether business schools are integrating crisis management in some of their MBA coursework.\* (\* this could expand and update a pilot compiled in 2014 which examined 10 private and public USA business schools with respect to courses involving crisis or emergency management )

The value of a discussion in the IDEA incubator would be to: recommend additional areas of study with respect to business continuity, beyond the literature on resilience and continuity of operations; to suggest organizations that would be viable case studies—both as those who successfully adapted to the changing environment and those that didn’t; to recommend additional (or changed) ways of identifying the educational curriculum with respect to adaptability to crises or emergencies; to suggest other directions to examine the q: how well are American leaders prepared to deal with the unexpected?

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References:

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